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## WTO and Agriculture

# What's at Stake for South Carolina?

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South Carolina's agricultural goods are exported worldwide. In 1997, the state's exports reached an estimated \$354 million, up from \$213 million in 1991. These exports help boost farm prices and income, while supporting about 6,000 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to South Carolina's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 18% to 21% since 1991.

The top five agricultural exports in 1997 were:

- # tobacco leaf -- \$121 million
- # cotton -- \$58 million
- # poultry and products -- \$54 million
- # soybeans and products -- \$52 million
- # wheat and products -- \$44 million

World demand for these products is increasing, but so is competition among suppliers. If South Carolina's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

## South Carolina Producers Benefit from Trade Agreements

South Carolina is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for South Carolina include:

- # With 15% of its farm receipts coming from broiler production, South Carolina should benefit under the Uruguay Round as South Korea grants unlimited access for frozen chicken at a 20% tariff by 2004. Poland opened market access equal to 8.5% of domestic consumption, and the Philippines opened a tariff-rate quota for 14,000 tons of chicken, which will reach 23,500 tons by 2004. Under NAFTA, Mexico established a tariff-rate quota for chilled and frozen poultry that will be phased out by 2004.
- # South Carolina, the nation's 3rd largest tobacco producer, benefits under the Uruguay Round as the EU reduces tariffs by 20% to 50%, Japan reduces tariffs and binds its duty rate at zero for tobacco, and Argentina, Brazil, Turkey and others reduce their import duties. Under NAFTA, Mexico's tobacco import licensing scheme was eliminated, and all duties will be eliminated between the three countries.
- # With nearly 10% of its farm receipts coming from cotton, South Carolina benefits under NAFTA as Mexico eliminates its 10% import tariff by 2004.

